

UNITED STATES BANKRUPTCY COURT

IN RE

Rich Steel

Plaintiff(s)

vs.

James A Begley

Defendant(s)

Case No. 3:20-bk-30342 SHB

ADV. PROC. NO. 3:20-AP-03017-SHB

ANSWER, AFFIRMATIVE DEFENSES,

COUNTERCLAIMS

\* \* \* \* \*

I. ANSWER

Jurisdiction is established by 28 U.S.C. § 1334 and 28 U.S.C. § 157. Defendant(s) answer the complaint as follows:

1. Admit the statements contained in paragraphs numbers: See Attached Page

2. Deny the statements contained in paragraph numbers: See Attached Page

except the following, which Defendant(s) admit:

3. Lack knowledge and, therefore, deny the statements contained in paragraph numbers:

See Attached Page number 3

Defendant(s) deny everything in the complaint not admitted above.

II. AFFIRMATIVE DEFENSES

Defendant(s) other defenses are:

1. \_\_\_\_\_

2. \_\_\_\_\_  
3. \_\_\_\_\_

### III. COUNTERCLAIMS


Plaintiff owes defendant(s) \$ 96,000 because:

See ATTACHED pages

This is a non-core claim. If non-core, the defendant(s) do consent to entry of final order or judgment by the bankruptcy judge.

**WHEREFORE**, Defendant(s) request that this lawsuit be dismissed and that a judgment be entered against plaintiff for any counterclaims, costs, or attorney fees.

DATED this 31 day of July, 2020

  
\_\_\_\_\_  
James A. Byley Defendant  
Address: 410 Dormanity Dr.  
Pigeon Forge  
Phone: 847-456-0498

## ATTACHED PAGE NUMBER 1-2

Fri, Jul 31, 20

1) Admit the statements in paragraphs numbers: 2, 3, 4, 5, 6, 7, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 24, 25, 26, 27, 28, 31, 32, 33, 34

2) Deny the statements contained in paragraph numbers: 1, 8, 9, 10,

23. This was a typo in the Vin number on the title. It is quite common for old cars to have vin numbers that are typos on a title. You have to get the vin number straight off the car or truck, most people don't, they use the vin number off title, which can have typo's.

29. In paragraph 27, plaintiff admits that the 69 Mustang was sold. There was no issue with the vin number as the car was financed through a collector car finance company. If there had been a problem, the finance company would have not have loaned the money for the car. NO FRAUD.

30, NO FRAUD

35, 36

37 The majority of vehicles are still in storage and have storage fees and other liens on them. Verbal agreements were made with Rich Steel in June, July, Aug to trade off the inventory to get back some principle money to make some profit and have more inventory through trades that were cheaper trucks to sell. I had 2 strokes in Aug and was hospitalized. Had to be hospitalized again in Nov, I was not able to perform any work for the rest of the year and beyond.

38, 39, 43, 44, 48, 49, 50, 52, 53.

## **ATTACHED PAGE NUMBER 3**

Fri, Jul 31, 2020 .

3.) Lack knowledge and, therefore, deny the statements contained in paragraph numbers  
3, 11, 22, 23, 40, 41, 42, 45, 46, 47, 51, 54, 55, 56, 57, 58.

## COUNTERCLAIMS

Fri, Jul 31, 2020

In December of 2018, Rich Steel and I were talking about the collector car market. Rich has called many times in the past since 1993. We have a history of doing business together since then. I brokered a 1968 Z-28 Camaro Convertible, (the only one ever built) for Rich Steel in 1993. I was his advisor and buyer's agent. Long story short, he paid \$160,000 and \$5,000 for a dual quad intake. I set the deal up with the owner, Milt Robinson, who was a well known car collector in Atlanta. Rich bought the Z-28 and I was paid a 10% commission which is common in our collector car industry for doing this type of deal. Also, Rich was told my hourly rate was \$100 an hour. Another industry standard that has went up tremendously since 1993, it can run as high as \$500 per hour depending on what the circumstances are with the car that is being either appraised, researched, checking of numbers matching and history or inspection. I told Rich when he bought the Z-28 to insure the car for a million dollars because in 10 years it would be worth that. He did but didn't wait to sell it, he sold it in 1999, by doing several trades and very little cash. The new owner brought it to Dana Mecum Auction in 2002 where it sold there for \$1.2 Million. Rich and I sold each other cars during the 90's. Incidentally today the car is owned by Dana Mecum and is now worth about \$5 million.

I got into a business deal with Rich Steel in January of 2018 to buy some trucks and restore and sell them. The original plan was to have at least 25-35 trucks in inventory. They were to be sold from \$15,000-\$35,000. He agreed to the deal and said he could fully fund buying about 20 trucks and cars during the spring car show in Pigeon Forge, which was in early April, 2019. We got ready to work the show on Friday, he had brought his girlfriend Annabell Lee to the show and trip. On Friday afternoon, he was supposed to meet me at 12:00 to start looking for cars and trucks. I had 2 of our cars on the street, the 69 Mustang Convertible and 79 black pickup. He finally called me at approximately 4 pm and told me he was having problems with his girlfriend. She apparently had gotten drunk, tried to stab him with a knife, and tore up their room at Margaritaville in Pigeon Forge. The police had arrested her and took her to jail. He told me he would come down soon. I had found a truck near us where we were parked and thought we could make some money on it so I told Rich about it. When he finally got down on the strip by me, I showed him the truck and we agreed to buy it. His girlfriend got herself balled out and wound up on the street in the middle of that deal. She was causing havoc as we were counting out money and took about 5 times to count it because of her hysteria. After I got the truck deal secure and paid for, I went back over to our Mustang as I had an interested person on it. Rich was still dealing with his girlfriend in the middle of the parking lot. I put a deal together on the tentative deal on the Mustang Convertible for \$12,000 cash, and a trade for a 68' custom Mustang at \$16,000. That would give us \$28,000 total on the Mustang deal after we would have sold the Mustang and recouped the money, we had approximately \$18,000 in the Mustang. That would have been a \$10,000 total profit. I was supposed to go with the buyer down the street to his car for trade and do the deal if I liked his trade. Rich stopped me and said he had to go to the police station and report her again and I needed to take him. I told the owner of the Mustang we were trading for that I would have to come back early in the morning and finish the deal. When I returned in the morning, one of the owner's workers sold the car. It was paid for and the new owners were picking it up. We wound up buying no more inventory because of the chaos that his girlfriend had caused. Not only did we lose a \$10,000 profit, we lost all potential profit we could have made on new inventory that we were supposed to buy. Rich Steel left Tennessee with his girlfriend and did not return.

The following week, I was able to get him on the phone and told him that we cannot make any consistent money with only 3-4 vehicles. We needed at least 30-35 vehicles minimum to make consistent money monthly. If we did not have an inventory, we were going to lose money. We had storage fees, advertising, detailing, body work and paint, and mechanical maintenance on the vehicles that we had and he would not fund me anymore money to complete the restoration and work that needed to be done on the vehicles in order to sell them. In June, we made a verbal agreement to trade off the inventory to get back some of the principle money and try to make some profit. That would have given us more inventory and we had more opportunity to make some profit with more inventory. I managed to be able to do a couple of trade deals. I had 2 strokes in August and was hospitalized, and I had to be hospitalized again in November. I was not able to perform any work from the time I had my first hospitalization until the rest of the year and beyond. I had told Rich Steel many times that I had a lot of money and time into this business arrangement and my time is money. I figured out an average of 120 hours per month (at \$100 per hour) that I put in from January-August on this project. This is a conservative estimate.  $8 \text{ months} \times 120 \text{ hrs} = 960 \text{ hrs} \times \$100 \text{ per hr} = \$96,000$ .

Defendant prays that this Court determine that this debt is owed by Plaintiff Rich Steel and enter a judgement in excess of 96,000, award defendant it's attorneys fees and cost in this matter, and grant such other relief as the Court deems just and resonable.

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF TN

In re:

James A Begley  
Debtor.

Case No. 3:20-bk-30342-SHE

Chapter 7

Plaintiff, Rich Steel

-against-

James A Begley  
Defendant.

Adv. Proc. No.

3:20-AP-0317-SHB

CERTIFICATE OF SERVICE

The undersigned certifies that on 7/31/20, a copy of

ADVERSARY ANSWER has been forwarded via  
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(Title of Document(s) served)

was deposited in an enclosed, properly addressed postage-paid envelope, and served by

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(Method of Delivery, e.g., Federal Express Overnight, U.S. Post Office Express Overnight....)

upon the following (below specify the name and mailing address of each party served):

Patrick Maxerbock

# 49715

5791 North Elston Avenue

Chicago, IL 60646

P: 312-866-9338

F: 773-598-8724

Patrick @ maxerbocklpw.com

Dated: 7/31/20

Signature

Print name: James A Begley

Address: 418 Parkview Drive

Pigeon Forge, TN

Phone:

Email: 847-458-0499

The UPS Store #2234

3152 Parkway, Suite 13

Pigeon Forge, TN 37863

Phone- (865) 428-7225

Fax- (865) 428-7391

Hours Of Operation

M-F 8AM-6:30PM

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# The UPS Store



Fax Cover Sheet

To: Clerk of Court Fax #: 865-545-4271

Date: 7/31/20 # of Pages (Including Cover Sheet) 7

From: James A Bagley Phone # 847-456-0498

Subject: 410 Dorniney Dr.

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NICKBUSAE@GMAIL.COM